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FISCAL IMPACT REPORT

SPONSOR Muñoz ORIGINAL DATE 02/11/14
LAST UPDATED _____ HB _____
SHORT TITLE Use of Emergency Funds SB 243
ANALYST Hanika Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Energy, Minerals & Natural Resources Department (EMNRD)

SUMMARY

Synopsis of Bill

Senate Bill 243 amends Section 12-11-24 NMSA 1978 by increasing the cap on the Governor's emergency declaration amount from \$750,000 to \$1,000,000.

SB 243 also makes technical corrections to Section 12-11-25 NMSA 1978.

FISCAL IMPLICATIONS

The increased amount for each declaration would reduce the number of executive order requests needed each year.

SIGNIFICANT ISSUES

The EMNRD Forestry Division reports it uses the emergency fund declaration process to fund emergency fire suppression activity statewide. In recent years, the Division has requested executive orders totaling well over \$10 million each fiscal year. Since the executive orders are capped at \$750,000, the Governor must issue numerous orders to cover the firefighting needs of the state. For example, in FY 2013, the Governor issued 14 executive orders for \$10.5 million.

OTHER SUBSTANTIVE ISSUES

Section 12-11-25 NMSA 1978 provides that “...the money shall be expended for any disaster declared by the governor to be of such magnitude as to be beyond local control and requiring the resources of the state. The funds shall be expended by the governor or any agent or agency designated by him for those purposes, either as a state project or for securing matching federal funds. The money shall be paid out upon warrants drawn by the secretary of finance and administration upon vouchers approved by the governor or an agent or agency designated by him for that purpose. As used in this section, "state project" means an expenditure by a state agency to provide those resources and services necessary to avoid or minimize economic or physical harm until a situation becomes stabilized and again under local self-support and control. "State project" may include any expenditure on a temporary, emergency basis for lodging, sheltering, health care, food, any transportation or shipping necessary to protect lives or public property; or for any other action necessary to protect the public health, safety and welfare.”

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Emergency declarations would continue to be requested in \$750,000 increments.

AHO/svb